

## VENTANA METROPOLITAN DISTRICT

Regular Board Meeting  
11007 Hidden Prairie Pkwy.  
Fountain, CO 80817

**Wednesday, February 9, 2022 – 10:00 a.m.**

Brian Bahr, President - Term to May 2022  
Bruce Peele, Secretary/ Treasurer - Term May 2022  
Richard Vorwaller - Term to May 2022  
Patrick Jarrett - Term to May 2023  
Jennifer Herzberg - Term to May 2023

**\*\* Please join the meeting from your computer, tablet or smartphone\*\***

<https://global.gotomeeting.com/join/622480501>

You can also dial in using your phone.

United States: +1 (646) 749-3129

Access Code: 622-480-501

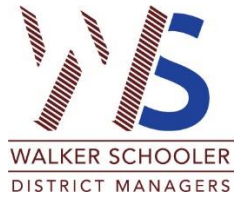
**Public invited to attend**

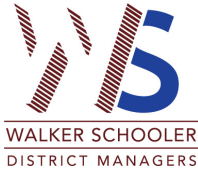
### AGENDA

1. Call to Order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Regular Business Items (These items are routine and may be approved by one motion. There will be no separate discussion of these items unless requested, in which event the item will be heard immediately)
  - a. Approval of Board Meeting Minutes from the January 12, 2022 Meeting (attached)
  - b. Approval of Payables for the Period ending February 9, 2022 (enclosed)

• General Fund –	\$	25,828.85
• Bond Fund –	\$	-
• <b>TOTAL –</b>	<b>\$</b>	<b>25,828.85</b>
  - c. Acceptance of Unaudited Financial Statements as of January 31, 2022 and the schedule of cash position updated as of January 31, 2022 (enclosed)
5. Market Update/Construction/Operations

6. Legal Matters
  - a. Service Plan Amendment Update
7. Financial Matters
  - a. Consider Approval of BiggsKofford Engagement Letter
  - b. Bond Update
8. District Management Matters & Report
  - a. Billing / Collections Review
  - b. Recreation Center Operations
  - c. Filing 6 turnover
9. VCC Matters
  - a. Design Guideline Amendment
  - b. Violation Highlights:
    - i. 2 Violations have been issued to date of 2022
    - ii. 1 Violations remain open, receiving fines
  - c. Architectural Submission Highlights:
    - i. 2 approvals for 2022
    - ii. 3 in progress for 2022
10. Public Comment  
(Limited to 3 minutes and only for items not on the agenda)
11. Other Business:  
  
Next Regular Meeting Date – March 9, 2022 at 10:00 AM
12. Adjourn





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**Wednesday, January 12, 2022 – 10:00 a.m.**

Brian Bahr, President - Term to May 2022  
Bruce Peele, Secretary/ Treasurer - Term May 2022  
Richard Vorwaller - Term to May 2022  
Patrick Jarrett - Term to May 2023  
Jennifer Herzberg - Term to May 2023

### MINUTES

1. Call to Order: President Bahr called the meeting to order at 10:00 AM.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: Ms. Hardekopf confirmed a quorum was present with Director Vorwaller excused. All disclosures were properly filed with the Department of Local Affairs, State of Colorado by Mr. Susemihl

Directors in attendance were:

Brian Bahr  
Richard Vorwaller  
Patrick Jarrett  
Jennifer Herzberg  
Bruce Peele (Late)

Also in attendance were:

Rebecca Hardekopf, Walker Schooler District Managers  
Kevin Walker, Walker Schooler District Managers  
Pete Susemihl, Susemihl, McDermott & Downie, P.C.  
Jim Byers, Challenger Homes  
Eric Farrar, VCC Board Member  
Mike Laurencelle, Public

3. Approval of Agenda: Director Vorwaller moved to approve the Agenda as presented; seconded by Director Jarrett. Motion passed unanimously.
4. Regular Business Items
  - a. Approval of Board Meeting Minutes from the November 10, 2021 Meeting
  - b. Approval of Payables for the Period ending January 12, 2022
    - i. General Fund – \$ 23,448.52
    - ii. Bond Fund – \$ -
    - iii. **TOTAL – \$ 23,448.52**

- c. Acceptance of Unaudited Financial Statements as of December 31, 2021 and the schedule of cash position updated as of December 31, 2021

Director Herzberg moved to approve the Regular Business Items as presented; seconded by Director Vorwaller. Motion passed unanimously.

5. Presentation for Splash Pad and Clubhouse amenities – Jim Byers presentation

Mr. Byers with Challenger homes presented the proposed splash pad and additional amenities to the community. He discussed the addition of the park as a grand lawn area that will have half basketball court, shaded shelter, dog wash station, and a junior neighborhood bike course. The Board discussed the shade structure to match the North Park shade structures that will be installed. The Board discussed the dog wash station be moved to the Club House addition. Mr. Byers discussed the splash pad addition south of the pool deck to include artificial turf, another shade structure, and all age group water activities. Board liked the addition and Mr. Byers clarification to change the fence along Old Pueblo Road to privacy fence while keeping the open fence on the east side of the pool deck. Mrs. Hardekopf inquired that the fence between pool decks would be removed, discussed the current shade structures that will be built this spring, and storage room in the additional Pool mechanical room. President Bahr would like to add an additional shade structure to the south to match the shade sales the Metro District will add. Mr. Byers noted all the feedback from the board and the Board was overall pleased with the proposal.

6. Market Update/Construction/Operations: Director Jarrett reported the plat has been recorded for Filing one of Ventana South. Paving is complete along with utilities are underway and homes are beginning early February.

7. Legal Matters

- a. Mr. Susemihl noted that we will need to post for the Bond hearing that is tentatively scheduled for March 17<sup>th</sup>. President Bahr touched base on the Bond interest rate and where they are at now, Mr. Walker noted they have been holding study around the 2.25%.
- b. Service Plan Amendment Update: Mr. Walker reported we have made movement with the City of Fountain on the Amendment and received communication back for clarifying certain sections.

8. Financial Matters

- a. Bond Update:

Mr. Walker brought to the Boards attention that the O&M mill levy is restricted to 10 mills and we certified 11.1 mills. The district will need to refund those overages back to the property owners through a venue of ways. Director Herzberg asked what the dollar difference roughly is. Mr. Walker confirmed the difference is roughly ten thousand dollars plus or minus.

9. District Management Matters

- a. Manager's Report: Ms. Hardekopf presented the Manager's Report.
  - i. Change in Pool Shade proposal

Mrs. Hardekopf discussed the change in footing depth that is causing the cost of the Shade structure to increase and the Boards approval for the cost change. Director Jarrett made a motion to approve the change order seconded by Director Herzberg. Motion passed unanimously.

- b. Billing/ Collections Review: Ms. Hardekopf presented the billing update.
    - i. October 6, 2021 bills were sent for 4<sup>th</sup> QRT
    - ii. 26 liens in place, 19 of which are new
  - d. Recreation Center Operations: Mrs. Hardekopf informed the board we are currently interviewing for a Facility Manager position then we will proceed with hiring 3 part-time positions before summer operations.
  - e. Filing 6 Turnover: Mrs. Hardekopf gave an update that filing 6 has not yet been turned over while Challenger waits on City of Fountain approval. Directors Jarrett confirmed that City of Fountain has not yet given approval to remove the silt fencing but will plan on spring.
9. VCC Matters: Ms. Hardekopf reported on VCC matters.

- a. Fence Heights restriction: Mrs. Hardekopf brought to the Boards attention the VCC Board would like to waive the height restriction for fence to allow up to six feet for medium to large breed dogs be contained better. Director Herzberg discussed specifics related to the fence waiver. Director Jarrett, agreed this would be a good practice as they do in other communities. President Bahr inquired about this being authorization granted or an amendment needed. Mrs. Hardekopf clarified she would need a motion and approval from the Board to amend the Design Guidelines. President Bahr made a motion to grant authority to the VCC and would like to review the amendment at the next meeting, seconded by Director Jarrett. Motion passed unanimously.
- b. Violation Highlights
  - i. 0 Violations have been issued to date for 2022
  - ii. 2 Violations remain open, receiving fines

Mrs. Hardekopf discussed the status of violations.

- c. Architectural Submission Highlights:
  - i. 176 Architectural Submissions reviewed in 2021
  - ii. 1 in progress for 2022

President Bahr commented on the great work being done for those architectural submissions.

#### 10. Public Comment and Public Sign-In Attendance Sheet:

President Bahr opened the floor for public comment.

Mr. Laurencelle commented if the lights on the entry sign will be fixed. Mrs. Hardekopf commented she will get someone to look at that light to fix.

Mr. Laurencelle commented on the lighting for the Hidden Prairie Parkway and Cadenza mailboxes. Mrs. Hardekopf confirmed that light was just installed about two weeks ago and is fully operational.

Mr. Farrar inquired if the district has appointed an internal election official. Mr. Susemihl commented the election will be held internally. Mrs. Hardekopf clarified that the district has appointed Mr. Susemihl, legal counsel, as the DEO (Designated Election Official).

11. Other Business:

Next Regular Meeting Date – February 9, 2022 at 10:00 AM

12. Adjourn: President Bahr moved to adjourn at 10:47 AM; seconded by Director Jarrett. Motion passed unanimously.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 10, 2021  
MINUTES OF THE VENTANA METROPOLITAN DISTRICT BY THE BOARD OF  
DIRECTORS SIGNING BELOW:

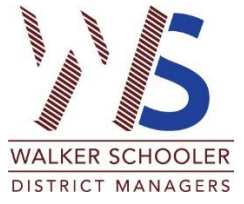
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Brian Bahr, President

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Bruce Peele, Secretary/ Treasurer

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Rich Vorwaller, Director

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Patrick Jarrett, Director

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Jennifer Herzberg, Director





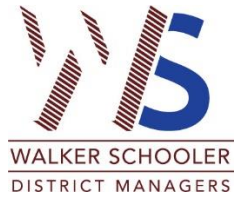
**Ventana Metropolitan District**  
**PAYMENT REQUEST**  
2/6/2022  
**GENERAL FUND ACCOUNT**

<b>Company</b>	<b>Invoice</b>	<b>Date</b>	<b>Amount</b>	<b>Retainage</b>	<b>Amount this Draw</b>	<b>Comments</b>
Black Hills Energy	5322274450	1/31/2022	337.43		\$ 337.43	
City of Fountain Utilities	10005472-02	1/18/2022	504.02		\$ 504.02	Auto Pay - Rec
City of Fountain Utilities	10005630-03	1/18/2022	132.73		\$ 132.73	Auto Pay - Park
City of Fountain Utilities	10005686-02	1/18/2022	51.23		\$ 51.23	Auto Pay - Tract
City of Fountain Utilities	10006794-01	1/18/2022	51.23		\$ 51.23	Auto Pay - Tract
City of Fountain Utilities	10006795-00	1/18/2022	25.04		\$ 25.04	Auto Pay - Tract
Colorado Springs Pool & Spa	1289	11/3/2021	5,690.14		\$ 5,690.14	
Comcast	849790010058248	2/2/2022	562.81		\$ 562.81	
Drexel, Barrell & Co.	24063	1/10/2022	525.00		\$ 525.00	
Extreme Care, LLC	32475	1/13/2022	265.00		\$ 265.00	
Mailing Services Inc	16133	1/6/2022	170.86		\$ 170.86	
Mailing Services Inc	16151	1/11/2022	283.22		\$ 283.22	
Signal 88, LLC	3537901	2/1/2022	899.84		\$ 899.84	
Walker Schooler District Managers	6977	1/31/2022	5,490.38		\$ 5,490.38	
Waste Connections of CO	4086289	1/15/2022	5,316.60		\$ 5,316.60	Auto Pay
Waste Connections of CO	4086295	1/15/2022	58.32		\$ 58.32	Auto Pay
Weisburg Landscape Maintenance	44603	1/25/2022	216.25		\$ 216.25	
Weisburg Landscape Maintenance	44545	1/31/2022	4,420.00		\$ 4,420.00	
Weisburg Landscape Maintenance	44738	1/31/2022	556.25		\$ 556.25	
Weisburg Landscape Maintenance	44341	1/10/2022	272.50		\$ 272.50	
					\$ -	
<b>TOTAL</b>			<b>\$ 25,828.85</b>	<b>\$ -</b>	<b>\$ 25,828.85</b>	

**TOTAL FOR ALL FUNDS**

**\$ 25,828.85**

\_\_\_\_\_, Director



## Ventana Metropolitan District

## Balance Sheet

02/06/22

As of January 31, 2022

Accrual Basis

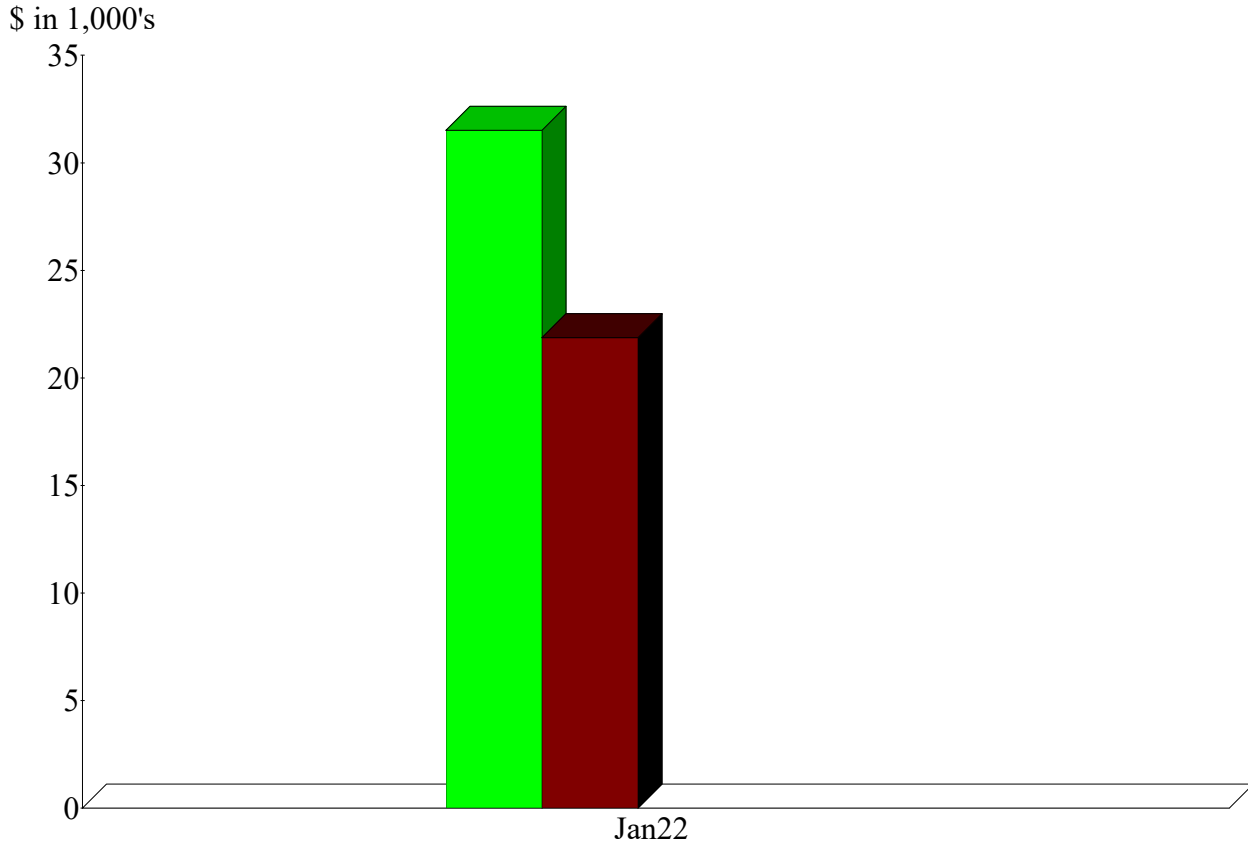
	Jan 31, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
1110 · Kirkpatrick Bank	773,938.50
<b>Total Checking/Savings</b>	773,938.50
Accounts Receivable	
1-1230 · Property Taxes Receivable	493,622.68
<b>Total Accounts Receivable</b>	493,622.68
<b>Other Current Assets</b>	
1310 · Due from Developer	32,741.59
1390 · Undeposited Funds	370.00
<b>Total Other Current Assets</b>	33,111.59
<b>Total Current Assets</b>	1,300,672.77
<b>Fixed Assets</b>	
Property and Equipment	
Community Improvements	441,980.56
<b>Total Property and Equipment</b>	441,980.56
1590 · Construction in Progress	
Engineering	435.00
OPRIC	738,692.00
Rivers Ventana LLC	3,972,866.28
<b>Total 1590 · Construction in Progress</b>	4,711,993.28
<b>Total Fixed Assets</b>	5,153,973.84
<b>TOTAL ASSETS</b>	<b>6,454,646.61</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
2010 · Accounts Payable	21,779.35
<b>Total Accounts Payable</b>	21,779.35
<b>Other Current Liabilities</b>	
2022 · Deferred Property Tax Revenue	493,622.68
2030 · Interest Payable	704,143.81
<b>Total Other Current Liabilities</b>	1,197,766.49
<b>Total Current Liabilities</b>	1,219,545.84
<b>Long Term Liabilities</b>	
Accrued Interest OPRIC	766,739.19
Advances from OPRIC	738,692.00
Bonds Payable - CH Metrobonds	4,464,400.00
<b>Total Long Term Liabilities</b>	5,969,831.19
<b>Total Liabilities</b>	7,189,377.03
<b>Equity</b>	
3000 · Opening Balance Equity	24,298.52
3910 · Retained Earnings	-768,665.54
Net Income	9,636.60
<b>Total Equity</b>	-734,730.42
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,454,646.61</b>

## Ventana Metropolitan District Profit & Loss Budget vs. Actual January 2022

	Jan 22	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Treasurer Taxes</b>				
1-1400 · Current - O&M	0.00	106,304.92	-106,304.92	0.0%
1-1500 · Specific Ownership - O&M	0.00	7,441.34	-7,441.34	0.0%
2-1000 · Current- Debt	0.00	387,317.76	-387,317.76	0.0%
2-1200 · Specific Ownership - Debt	0.00	27,112.24	-27,112.24	0.0%
<b>Total Treasurer Taxes</b>	0.00	528,176.26	-528,176.26	0.0%
1-1000 · Late Fee	190.00	500.00	-310.00	38.0%
1-1100 · Recreation Center Dues				
1-1105 · Ventana Residents	21,497.71	160,000.00	-138,502.29	13.44%
<b>Total 1-1100 · Recreation Center Dues</b>	21,497.71	160,000.00	-138,502.29	13.44%
1-1200 · Trash Service	9,733.35	68,400.00	-58,666.65	14.23%
1-180 · Covenant Violation Fine	85.00	500.00	-415.00	17.0%
<b>Total Income</b>	31,506.06	757,576.26	-726,070.20	4.16%
<b>Gross Profit</b>	31,506.06	757,576.26	-726,070.20	4.16%
<b>Expense</b>				
<b>Treasurer's Fee</b>				
1-1450 · O&M-Treasurer's Collection Fee	0.00	1,594.57	-1,594.57	0.0%
2-1050 · Debt-Treasurer's Collection Fee	0.00	5,809.77	-5,809.77	0.0%
<b>Total Treasurer's Fee</b>	0.00	7,404.34	-7,404.34	0.0%
1-1700 · Audit	0.00	9,000.00	-9,000.00	0.0%
1-1800 · Board Election	0.00	10,000.00	-10,000.00	0.0%
1-1900 · Copies & Postage	454.08			
1-2000 · Recreation Center				
1-2300 · Utilities	1,689.99	35,000.00	-33,310.01	4.83%
1-2302 · Cleaning Service	1,358.94	16,800.00	-15,441.06	8.09%
1-2305 · Security	993.57	14,000.00	-13,006.43	7.1%
1-2306 · Maintenance/ Repairs	265.00	5,000.00	-4,735.00	5.3%
1-2310 · Supplies	0.00	4,000.00	-4,000.00	0.0%
<b>Total 1-2000 · Recreation Center</b>	4,307.50	74,800.00	-70,492.50	5.76%
1-2001 · Pool Expense				
1-2010 · Season Start Up/ Finish	0.00	6,000.00	-6,000.00	0.0%
1-2020 · Chemicals	0.00	8,000.00	-8,000.00	0.0%
1-2030 · Summer Operations	0.00	10,000.00	-10,000.00	0.0%
1-2040 · Water	0.00	250.00	-250.00	0.0%
1-2050 · Repair/ Maintenance	0.00	5,000.00	-5,000.00	0.0%
<b>Total 1-2001 · Pool Expense</b>	0.00	29,250.00	-29,250.00	0.0%
1-6160 · Dues and Subscriptions	0.00	1,000.00	-1,000.00	0.0%
1-6180 · Insurance	0.00	12,500.00	-12,500.00	0.0%
1-6200 · Park/ Landscape				
1-6205 · Maintenance	5,465.00	85,000.00	-79,535.00	6.43%
1-6210 · Utilities	260.23	70,000.00	-69,739.77	0.37%
<b>Total 1-6200 · Park/ Landscape</b>	5,725.23	155,000.00	-149,274.77	3.69%
1-6240 · Miscellaneous	0.00	10,000.00	-10,000.00	0.0%
1-6490 · Office Supplies	0.00	5,000.00	-5,000.00	0.0%
1-6610 · Postage and Delivery	115.38			
2-6000 · Capital Improvements	525.00			
6560 · Payroll Expenses	0.00	75,000.00	-75,000.00	0.0%
6570 · Professional Fees				
1-2500 · Trash Service	5,367.27	50,000.00	-44,632.73	10.74%
1-2701 · District Management	3,000.00	36,000.00	-33,000.00	8.33%
1-2705 · VCC - Covenant Enforcement	2,375.00	28,500.00	-26,125.00	8.33%
1-6572 · Legal Fees	0.00	15,000.00	-15,000.00	0.0%
<b>Total 6570 · Professional Fees</b>	10,742.27	129,500.00	-118,757.73	8.3%
<b>Total Expense</b>	21,869.46	518,454.34	-496,584.88	4.22%
<b>Net Ordinary Income</b>	9,636.60	239,121.92	-229,485.32	4.03%
<b>Net Income</b>	9,636.60	239,121.92	-229,485.32	4.03%

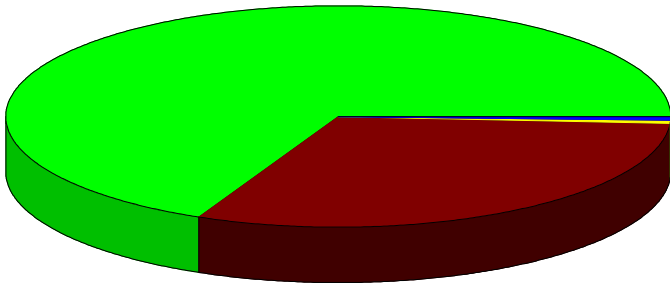
Income and Expense by Month  
January 2022

Income  
Expense



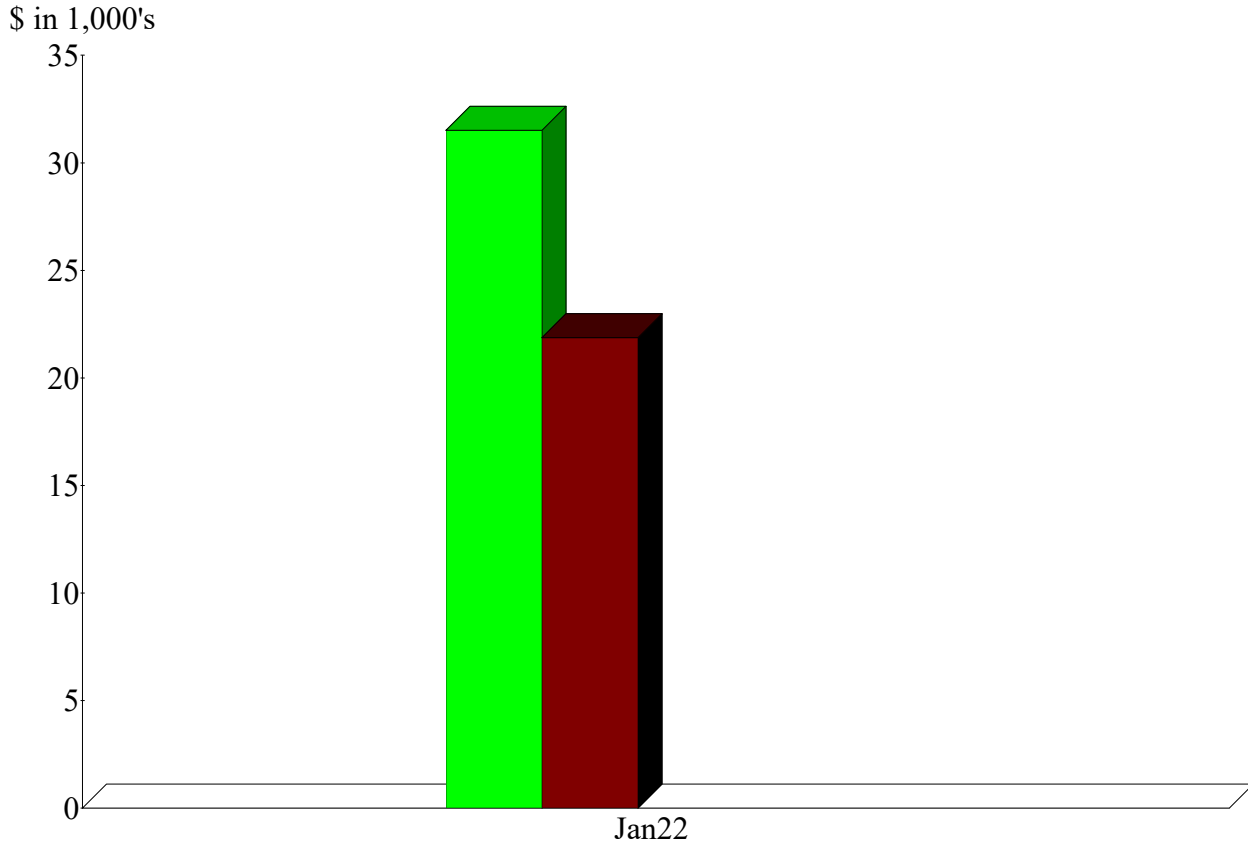
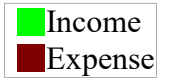
Income Summary  
January 2022

1-1100 · Recreation Center Dues	68.23%
1-1200 · Trash Service	30.89
1-1000 · Late Fee	0.60
1-180 · Covenant Violation Fine	0.27
<b>Total</b>	<b>\$31,506.06</b>



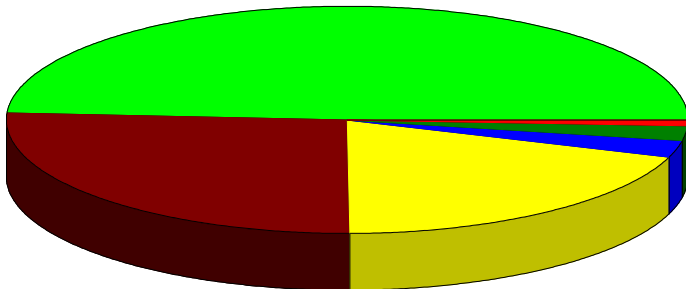
By Account

Income and Expense by Month  
January 2022

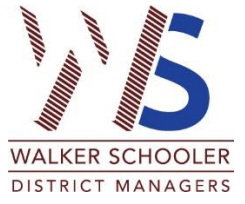


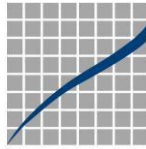
Expense Summary  
January 2022

6570 · Professional Fees	49.12%
1-6200 · Park/ Landscape	26.18
1-2000 · Recreation Center	19.70
2-6000 · Capital Improvements	2.40
1-1900 · Copies & Postage	2.08
1-6610 · Postage and Delivery	0.53
<b>Total</b>	<b>\$21,869.46</b>



By Account





**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

January 26, 2022

Ventana Metropolitan District  
Board of Directors  
Via email: rebecca.h@wsdistricts.co

We are pleased to confirm our understanding of the services we are to provide for Ventana Metropolitan District ("District") as of and for the year ended December 31, 2021.

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### **Audit Scope and Objectives**

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We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2021. Accounting principles generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A") to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited:

- You have informed us that the MD&A will be omitted. Our report will be modified accordingly.

We have also been engaged to report on supplementary information ("SI") other than RSI that accompanies the District's financial statements, as applicable. We will subject the SI to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS, and will provide an opinion on it in relation to the basic financial statements as a whole.

- Schedule(s) of revenues, expenditures, and changes in fund balances – budget and actual for governmental funds, as applicable



Other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any other assurance on that other information. If we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We understand that the following people or entities will use these financial statements for the enumerated purposes:

<u>USER</u>	<u>PURPOSE</u>
State of Colorado	To provide assurance that the financial statements adhere to US GAAP
Management	To provide assurance on the financial statements to enhance management decision-making

You agree that you will discuss the suitability of this presentation with us if you intend to submit these financial statements to other users or to any of the identified users for different purposes.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with US GAAP; and report on the fairness of the SI referred to above when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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We will conduct our audit in accordance with US GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with US GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct material effect on the financial statements. However, we will inform the appropriate level of management of any material

errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

If circumstances occur which, in our professional judgment, prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to withdraw from the engagement without issuing an opinion or report, as permitted by our professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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### **Audit Procedures – Internal Control**

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We will obtain an understanding of the District and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance any matters related to internal control that are required to be communicated under professional standards.

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### **Audit Procedures – Compliance**

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As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

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## Other Services

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We will also prepare the financial statements of the entity in conformity with US GAAP based on information provided by you. We will perform the services in accordance with applicable professional standards.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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## Responsibilities of Management for the Financial Statements

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Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with US GAAP.

Management is responsible for making drafts of the financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

With regard to including the auditor's report in an offering document, you agree that the aforementioned auditor's report, or reference to BiggsKofford, P.C., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the SI in conformity with US GAAP. You agree to include our report on the SI in any document that contains, and indicates that we have reported on, the SI. You also agree to include the audited financial statements with any presentation of the SI that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for the presentation of the SI in accordance with US GAAP; (2) you believe the SI, including

its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the SI.

You agree to assume all management responsibilities for the other services listed above and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

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### **Engagement Administration, Fees, and Other**

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You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically or on your internet website(s), you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include an "accountant's report" or a "disclaimer" on the financial presentation(s) which we specify. Further, you agree to provide us with printers' proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing/publishing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name and/or the name of an employee of the firm and a financial presentation for our approval before it is distributed.

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you not solicit our employees to work for you. You agree that if you or your agents do hire one of our employees within three months of when they last worked for BiggsKofford, we will be due a finder's fee equal to 50% of the greater of the annual salary they were earning as of their last day of employment or their starting salary with the District. Payment will be due within 10 days of your receipt of our invoice. To ensure that our independence is not impaired under the *AICPA Code of Professional Conduct*, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

You understand that we provide clients with services specifically focused on identifying and addressing deficiencies in internal controls, and on searching for the existence of fraud within the entity. If you would like us to perform these services, we would be happy to discuss that opportunity with you. However, you acknowledge that those services are outside the scope of this engagement and are not included in the fees detailed below.

It is our policy to retain engagement documentation for a period of at least five years, after which time we may commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than the compiled financial statement, which we will provide you at the conclusion of the engagement, is our

property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony related to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates for the time we expend in connection with such response, and to reimburse us for all related out-of-pocket costs incurred.

You and BiggsKofford, P.C. both agree that any dispute that may arise from this engagement will, prior to resorting to litigation, be submitted for mediation before the American Arbitration Association. Both parties further agree that any such mediation shall be administered within El Paso County Colorado and the results of any such mediation shall be binding upon agreement of each party to be bound. Further, both parties agree that any potential legal action between you and BiggsKofford, P.C. shall be resolved in El Paso County District Court according to Colorado law. Our engagement ends on delivery of our audit report and any claim made concerning our services will be limited to the fees charged for those services. You agree to indemnify, defend, and hold BiggsKofford and its owners, heirs, executors, personal representatives, successors, and assigns harmless from any liability and costs resulting from knowing misrepresentations by management.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all parties.

We want you to clearly understand that this type of financial statement presentation is not designed for, and should not be used for, any purpose subject to regulation by the United States Securities and Exchange Commission ("SEC") or the securities division of any state.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of BiggsKofford, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Colorado Office of the State Auditor or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of BiggsKofford, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to Colorado Office of the State Auditor or its designee. The Colorado Office of the State Auditor or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Braden Hammond is the engagement principal and is responsible for supervising the engagement and for signing the report or authorizing another individual to sign it.

Our fees for this engagement are not contingent on the results of our services. We estimate that our fees for these services will be \$8,825. You will also be billed for travel and other out-of-pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered semi-monthly as work progresses and are payable on presentation. Any remaining balance will be due upon delivery of your financial statements. In accordance with our firm policies, work may be suspended if your account becomes overdue and will

not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of the termination.

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**Reporting**

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We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of the District. Circumstances may arise in which our report may differ from its expected content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, **PLEASE INITIAL EACH PAGE, SIGN THE LAST PAGE**, and return a copy to us.

Sincerely,

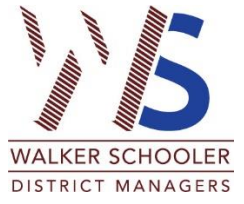
*BiggsKofford, P.C.*

BiggsKofford, P.C.

**RESPONSE:**

**This letter correctly sets forth the understanding of Ventana Metropolitan District.**

Authorized signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_



FIRST AMENDMENT TO THE DESIGN GUIDELINES  
FOR THE VENTANA COMMUNITY  
AS SET FORTH BY THE ARCHITECTURAL COMMITTEE AND THE VENTANA  
METROPOLITAN DISTRICT

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This first amendment to The Design Guidelines for the Ventana Community, as set fourth by the Architectural Committee (“AC”) and the Ventana Metropolitan District (“The District”), is made and entered into to be effective as of this 9<sup>th</sup> day of February 2022, by the Board of Directors for The District.

**AMENDMENT**

1. Section 3.14, Fencing, Interior Rear Yard Fencing section, Paragraph one, is hereby amended to read as follows:

“All solid rear yard fencing shall not exceed six (6) feet tall and be constructed of solid tan, sand or almond colored vinyl (or PVC) fencing with proper transitions to different height fencing adjacent.”

IN WITNESS WHEREOF, The Ventana Metropolitan District, has executed this First Amendment to the Design Guidelines to be effective as of the day and year first written above.

VENTANA METROPOLITAN DISTRICT

\_\_\_\_\_  
Office of the District

ATTEST:

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